

FIRST ENGROSSMENT

ENGROSSED HOUSE BILL NO. 1278

Introduced by

Representatives Lefor, Vigesaa, Vollmer, Swiontek

Senators Bekkedahl, Hogue, Patten, Rummel

1 A BILL for an Act to create and enact two new sections to chapter 54-11 of the North Dakota
2 Century Code, relating to the management of moneys in the state treasury and a cash
3 management board; to provide a report; and to provide an expiration date.

4 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

5 **SECTION 1.** A new section to chapter 54-11 of the North Dakota Century Code is created
6 and enacted as follows:

7 **Moneys in the state treasury - Management.**

8 The state treasurer in coordination with the Bank of North Dakota and the cash
9 management board shall review existing policies and procedures and, if necessary, develop
10 policies and procedures for the management of moneys in the state treasury. For purposes of
11 this section, moneys in the state treasury:

- 12 1. Include the general fund and special funds.
13 2. Exclude the veterans' postwar trust fund and funds invested by the state investment
14 board and the board of university and school lands.

15 **SECTION 2.** A new section to chapter 54-11 of the North Dakota Century Code is created
16 and enacted as follows:

17 **Cash management board - Report.**

- 18 1. The cash management board is created to:
19 a. Review existing policies and, if necessary, develop policies in coordination with
20 the state treasurer and the Bank of North Dakota for the management of moneys
21 in the state treasury.
22 b. Provide transparency regarding the state's consolidated financial position.

- 1 c. Identify state agency and interagency cash flow characteristics and processes.
- 2 d. Review state agency cash management technology and opportunities to improve
- 3 state cash management practices.
- 4 e. Review state agency and statewide operational cash flow requirements and
- 5 forecast cash flow needs.
- 6 f. Identify cash management practices to improve cash structures and to provide
- 7 transaction efficiencies.
- 8 2. The board shall review existing policies and, if necessary, develop policies with a goal
- 9 of managing moneys in the state treasury to ensure principal preservation and
- 10 adequate liquidity for the state's cash flow needs while maximizing total return based
- 11 on an appropriate level of statewide risk. The policies may include:
- 12 a. An appropriate tiered cash flow structure.
- 13 b. Authorization to commingle, for management purposes, moneys in the state
- 14 treasury when determined to be advantageous.
- 15 c. Prioritization to optimize cash flow structuring to align with the mission of state
- 16 agencies and the state's consolidated financial position.
- 17 3. The Bank of North Dakota shall provide staff services to the board.
- 18 4. Upon request, a state agency shall provide information to the board regarding cash
- 19 flow and liquidity needs, including projections for the timing of revenues and
- 20 expenditures.
- 21 5. The board consists of:
- 22 a. The state treasurer or the state treasurer's designee who shall serve as the
- 23 chairman;
- 24 b. The director of the office of management and budget or the director's designee;
- 25 c. The president of the Bank of North Dakota or the president's designee;
- 26 d. Two members of the house of representatives appointed by the house majority
- 27 leader;
- 28 e. Two members of the senate appointed by the senate majority leader; and
- 29 f. The governor or the governor's designee.
- 30 6. Legislative members of the board are entitled to receive compensation and expense
- 31 reimbursement as provided under section 54-03-20 and reimbursement for mileage as

1 provided by law for state officers. The legislative council shall pay the compensation
2 and expense reimbursement for the legislative members.

3 7. The board shall provide at least one report each fiscal year to the budget section.

4 **SECTION 3. EXPIRATION DATE.** This Act is effective through June 30, 2028, and after that
5 date is in effective.